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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648-XF833

Fisheries of the Exclusive Economic Zone Off Alaska; Bering Sea and Aleutian Islands Management Area; Cost Recovery Programs

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of standard prices and fee percentages.

SUMMARY: NMFS publishes standard prices and fee percentages for cost recovery for the Amendment 80 Program, the American Fisheries Act (AFA) Program, the Aleutian Islands Pollock (AIP) Program, and the Western Alaska Community Development Quota (CDQ) groundfish and halibut Programs. The fee percentage for 2017 is 0.71 percent for the Amendment 80 Program, 0.19 percent for the AFA inshore cooperatives, 0.21 percent for the AFA catcher/processor sector, 0.22 percent for the AFA mothership cooperative, 0 percent for the AIP program, and 0.55 percent for the CDQ groundfish and halibut Programs. This action is intended to provide the 2017 standard prices and fee percentages to calculate the required payment for cost recovery fees due by December 31, 2017.

DATES: The standard prices and fee percentages are valid on [*INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Carl Greene, Fee Coordinator, 907-586-7105.

SUPPLEMENTARY INFORMATION:

Background

Section 304(d) of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) authorizes and requires the collection of cost recovery fees for limited access privilege programs and the CDQ Program. Cost recovery fees recover the actual costs directly related to the management, data collection, and enforcement of the programs. Section 304(d) of the Magnuson-Stevens Act mandates that cost recovery fees not exceed three percent of the annual ex-vessel value of fish harvested by a program subject to a cost recovery fee, and that the fee be collected either at the time of landing, filing of a landing report, or sale of such fish during a fishing season or in the last quarter of the calendar year in which the fish is harvested.

NMFS manages the Amendment 80 Program, AFA Program, and AIP Program as limited access privilege programs. On January 5, 2016, NMFS published a final rule to implement cost recovery for these three limited access privilege programs and the CDQ groundfish and halibut programs (81 FR 150). The designated representative (for the purposes of cost recovery) for each program is responsible for submitting the fee payment to NMFS on or before the due date of December 31 of the year in which the landings were made. The total dollar amount of the fee due is determined by multiplying the NMFS published fee percentage by the ex-vessel value of all landings under the program made during the fishing year. NMFS publishes this notice of the fee percentages for the Amendment 80, AFA, AIP, and CDQ groundfish and halibut fisheries in the *Federal Register* by December 1 each year.

Standard Prices

The fee liability is based on the ex-vessel value of fish harvested in each program. For purposes of calculating cost recovery fees, NMFS calculates a standard ex-vessel price (standard price) for each species. A standard price is determined using information on landings purchased (volume) and ex-vessel value paid (value). For most groundfish species, NMFS annually summarizes volume and value information for landings of all fishery species subject to cost recovery in order to estimate a standard price for each species. The standard prices are described in U.S. dollars per pound for landings made during the year. The standard prices for all species in the Amendment 80, AFA, AIP, and CDQ groundfish and halibut programs are listed in Table 1. Each landing made under each program is multiplied by the appropriate standard price to arrive at an ex-vessel value for each landing. These values are summed together to arrive at the ex-vessel value of each program (fishery value).

Fee Percentage

NMFS calculates the fee percentage each year according to the factors and methods described in Federal regulations at 50 CFR 679.33(c)(2), 679.66(c)(2), 679.67(c)(2), and 679.95(c)(2). NMFS determines the fee percentage that applies to landings made during the year by dividing the total costs directly related to the management, data collection, and enforcement of each program (direct program costs) during the year by the fishery value. NMFS captures direct program costs through an established accounting system that allows staff to track labor, travel, contracts, rent, and procurement. For 2017, the direct program costs were tracked from October 1, 2016, to September 30, 2017 (the end of the fiscal year). The individual 2017 fee percentages for the Amendment 80 Program, the American Fisheries Act (AFA) Program, and the

Western Alaska Community Development Quota (CDQ) groundfish and halibut Programs are higher relative to percentages calculated for the programs in 2016. This is primarily because direct program costs in 2016 were tracked for only part of the fiscal year, from February 4, 2016 (the effective date of the rule) to September 30, 2016.

NMFS will provide an annual report that summarizes direct program costs for each of the programs in early 2018. NMFS calculates the fishery value as described under the section “Standard Prices.”

Amendment 80 Program Standard Prices and Fee Percentage

The Amendment 80 Program allocates total allowable catches (TACs) of groundfish species, other than Bering Sea pollock, to identified trawl catcher/processors in the Bering Sea and Aleutian Islands (BSAI). The Amendment 80 Program allocates a portion of the BSAI TACs of six species: Atka mackerel, Pacific cod, flathead sole, rock sole, yellowfin sole, and Aleutian Islands Pacific ocean perch. Participants in the Amendment 80 sector have established cooperatives to harvest these allocations. Each Amendment 80 cooperative is responsible for payment of the cost recovery fee for fish landed under the Amendment 80 Program. Cost recovery requirements for the Amendment 80 Program are at 50 CFR 679.95.

For most Amendment 80 species, NMFS annually summarizes volume and value information for landings of all fishery species subject to cost recovery in order to estimate a standard price for each fishery species. Regulations specify that for rock sole, NMFS shall calculate a separate standard price for two periods—January 1 through March 31, and April 1 through October 31, which accounts for a substantial difference in estimated rock sole prices during the first quarter of the year relative to the remainder of the year.

The volume and value information is obtained from the First Wholesale Volume and Value Report, and the Pacific Cod Ex-Vessel Volume and Value Report.

Using the fee percentage formula described above, the estimated percentage of direct program costs to fishery value for the 2017 calendar year is 0.71 percent for the Amendment 80 Program. For 2017, NMFS applied the fee percentage to each Amendment 80 species landing that was debited from an Amendment 80 cooperative quota allocation between January 1 and December 31 to calculate the Amendment 80 fee liability for each Amendment 80 cooperative. The 2017 fee payments must be submitted to NMFS on or before December 31, 2017. Payment must be made in accordance with the payment methods set forth in 50 CFR 679.95(a)(3)(iv).

AFA Standard Price and Fee Percentages

The AFA allocates the Bering Sea directed pollock fishery TAC to three sectors—catcher/processor, mothership, and inshore. Each sector has established cooperatives to harvest the sector's exclusive allocation. These cooperatives are responsible for paying the fee for Bering Sea pollock landed under the AFA. Cost recovery requirements for the AFA sectors are at 50 CFR 679.66.

NMFS calculates the standard price for pollock using the most recent annual value information reported to the Alaska Department of Fish & Game for the Commercial Operator's Annual Report and compiled in the Alaska Commercial Fisheries Entry Commission Gross Earnings data for Bering Sea pollock. Due to the time required to compile the data, there is a one-year delay between the gross earnings data year and the fishing year to which it is applied. For example, NMFS used 2016 gross earnings data to calculate the standard price for 2017 pollock landings.

Using the fee percentage formula described above, the estimated percentage of direct program costs to fishery value for the 2017 calendar year is 0.19 percent for the AFA inshore sector, 0.21 percent for the AFA catcher/processor sector, and 0.22 percent for the AFA mothership sector. For 2017, NMFS applied the fee percentage to each AFA inshore cooperative, AFA mothership cooperative, and AFA catcher/processor sector landing of Bering Sea pollock debited from its AFA pollock fishery allocation between January 1 and December 31 to calculate the AFA fee liability for each AFA cooperative. The 2017 fee payments must be submitted to NMFS on or before December 31, 2017. Payment must be made in accordance with the payment methods set forth in 50 CFR 679.66(a)(4)(iv).

AIP Program Standard Price and Fee Percentage

The AIP Program allocates the Aleutian Islands directed pollock fishery TAC to the Aleut Corporation, consistent with the Consolidated Appropriations Act of 2004 (Pub. L. 108-109), and its implementing regulations. Annually, prior to the start of the pollock season, the Aleut Corporation provides NMFS with the identity of its designated representative for harvesting the Aleutian Islands directed pollock fishery TAC. The same individual is responsible for the submission of all cost recovery fees for pollock landed under the AIP Program. Cost recovery requirements for the AIP Program are at 50 CFR 679.67.

NMFS calculates the standard price for pollock using the most recent annual value information reported to the Alaska Department of Fish & Game for the Commercial Operator's Annual Report and compiled in the Alaska Commercial Fisheries Entry Commission Gross Earnings data for Aleutian Islands pollock. Due to the time

required to compile the data, there is a one-year delay between the gross earnings data year and the fishing year to which it is applied. For example, NMFS used 2016 gross earnings data to calculate the standard price for 2017 pollock landings.

For the 2017 fishing year, the Aleut Corporation did not select any participants to harvest or process the Aleutian Islands directed pollock fishery TAC, and most of that TAC was reallocated to the Bering Sea directed pollock fishery TAC. Using the fee percentage formula described above, the estimated percentage of direct program costs to fishery value for the 2017 calendar year is 0 percent for the AIP Program.

CDQ Standard Price and Fee Percentage

The CDQ Program was implemented in 1992 to provide access to BSAI fishery resources to villages located in Western Alaska. Section 305(i) of the Magnuson-Stevens Act identifies 65 villages eligible to participate in the CDQ Program and the six CDQ groups to represent these villages. CDQ groups receive exclusive harvesting privileges of the TACs for a broad range of crab species, groundfish species, and halibut. NMFS implemented a CDQ cost recovery program for the BSAI crab fisheries in 2005 (70 FR 10174, March 2, 2005) and published the cost recovery fee percentage for the 2017/2018 crab fishing year on July 13, 2017 (82 FR 32329). This notice provides the cost recovery fee percentage for the CDQ groundfish and halibut programs. Each CDQ group is subject to cost recovery fee requirements for landed groundfish and halibut, and the designated representative of each CDQ group is responsible for submitting payment for their CDQ group. Cost recovery requirements for the CDQ Program are at 50 CFR 679.33.

For most CDQ groundfish species, NMFS annually summarizes volume and value

information for landings of all fishery species subject to cost recovery in order to estimate a standard price for each fishery species. The volume and value information is obtained from the First Wholesale Volume and Value Report and the Pacific Cod Ex-Vessel Volume and Value Report. For CDQ halibut and fixed-gear sablefish, NMFS calculates the standard prices using information from the Individual Fishing Quota (IFQ) Ex-Vessel Volume and Value Report, which collects information on both IFQ and CDQ volume and value.

Using the fee percentage formula described above, the estimated percentage of direct program costs to fishery value for the 2017 calendar year is 0.55 percent for the CDQ groundfish and halibut programs. For 2017, NMFS applied the calculated CDQ fee percentage to all CDQ groundfish and halibut landings made between January 1 and December 31 to calculate the CDQ fee liability for each CDQ group. The 2017 fee payments must be submitted to NMFS on or before December 31, 2017. Payment must be made in accordance with the payment methods set forth in 50 CFR 679.33(a)(3)(iv).

Table 1. Standard Ex-Vessel Prices by Species for the 2017 Fishing Year.

Species	Gear Type	Reporting Period	Standard Ex-vessel Price per Pound (\$)
Arrowtooth flounder	All	January 1, 2017 – October 31, 2017	\$0.32
Atka mackerel	All	January 1, 2017 – October 31, 2017	\$0.36
Flathead sole	All	January 1, 2017 – October 31, 2017	\$0.22
Greenland turbot	All	January 1, 2017 – October 31, 2017	\$0.55
CDQ halibut	Fixed gear	October 1, 2016 – September 30, 2017	\$5.97
Pacific cod	Fixed gear	January 1, 2017 – October 31, 2017	\$0.33
	Trawl gear	January 1, 2017 – October 31, 2017	\$0.28
Pacific ocean perch	All	January 1, 2017 – October 31, 2017	\$0.25
Pollock	All	January 1, 2016 – December 31, 2016	\$0.14
Rock sole	All	January 1, 2017 – March 31, 2017	\$0.23
	All	April 1, 2017 – October 31, 2017	\$0.17

Sablefish	Fixed gear	October 1, 2016 – September 30, 2017	\$4.12
	Trawl gear	January 1, 2017 – October 31, 2017	\$1.05
Yellowfin sole	All	January 1, 2017 – October 31, 2017	\$0.17

Authority: 16 U.S.C. 1801 *et seq.*

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National Marine Fisheries Service.

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